

CLAUSE I-127 – SUBCONTRACTS (TIME-AND-MATERIALS AND LABOR-HOUR SUBCONTRACTS) (August 2002)

- (a) "Subcontract," as used in this clause, includes but is not limited to purchase orders, and changes and modifications to purchase orders. The Subcontractor shall obtain the Subcontracting Officer's written consent before placing any subcontract for furnishing any of the work called for in this subcontract, except for purchase of raw material or commercial stock items.
- (b) No subcontract placed under this subcontract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement subcontracts shall not exceed the fee limitations in subsection 15.903(d) of the Federal Acquisition Regulation (FAR).
- (c) SURA and the Government reserve the right to review the Subcontractor's purchasing system as set forth in FAR Subpart 44.3.
- (d) Unless the consent or approval specifically provides otherwise, neither consent by the Subcontracting Officer to any subcontract nor approval of the Subcontractor's purchasing system shall constitute a determination (1) of the acceptability of any subcontract terms or conditions, (2) of the acceptability of any subcontract price or of any amount paid under any subcontract, or (3) to relieve the Subcontractor of any responsibility for performing this subcontract.